records starts on the date of such sub-
mission.
(2) If not submitted for negotiation.
If the recipient is not required to sub-
mit to the Department or the sub-
recipient is not required to submit to
the recipient the proposal, plan, or
other computation for negotiation pur-
poses, then the 3-year retention period
for the proposal, plan, or other com-
putation and its supporting records
starts at the end of the fiscal year (or
other accounting period) covered by
the proposal, plan, or other computa-
tion.

TERMINATION AND ENFORCEMENT

§145.60 Purpose of termination and
enforcement.
Sections 145.61 and 145.62 set forth
uniform suspension, termination and
enforcement procedures.

§145.61 Termination.
(a) Awards may be terminated in
whole or in part only if paragraphs (a)
(1), (2) or (3) of this section apply.
(1) By the Department, if a recipient
materially fails to comply with the
terms and conditions of an award.
(2) By the Department, with the con-
sent of the recipient, in which case the
two parties shall agree upon the termi-
nation conditions, including the effec-
tive date and, in the case of partial ter-
nination, the portion to be termi-
nated.
(3) By the recipient, upon sending to
the Department written notification
setting forth the reasons for such ter-
mination, the effective date, and, in
the case of partial termination, the portion to be termi-
nated.
(b) If costs are allowed under an
award, the responsibilities of the re-
cipient referred to in §145.71(a), includ-
ing those for property management as
applicable, shall be considered in the
termination of the award, and provi-
sion shall be made for continuing re-
sponsibilities of the recipient after ter-
minalization, as appropriate.

§145.62 Enforcement.
(a) Remedies for noncompliance. If a re-
cipient materially fails to comply with
the terms and conditions of an award,
whether stated in a Federal statute,
regulation, assurance, application, or
notice of award, the Department may,
in addition to imposing any of the spe-
cial conditions outlined in §145.14, take
one or more of the following actions, as
appropriate in the circumstances.
(1) Temporarily withhold cash pay-
ments pending correction of the defi-
ciency by the recipient or more severe
enforcement action by the Department.
(2) Disallow (that is, deny both use of
funds and any applicable matching
credit for) all or part of the cost of the
activity or action not in compliance.
(3) Wholly or partly suspend or ter-
nimate the current award.
(4) Withhold further awards for the
project or program.
(5) Take other remedies that may be
legally available.
(b) Hearings and appeals. In taking an
enforcement action, the awarding
agency shall provide the recipient an
opportunity for hearing, appeal, or
other administrative proceeding to
which the recipient is entitled under
any statute or regulation applicable to
the action involved.
(c) Effects of suspension and termi-
nation. Costs of a recipient resulting
from obligations incurred by the re-
cipient during a suspension or after
termination of an award are not allow-
able unless the awarding agency ex-
pressly authorizes them in the notice
of suspension or termination or subse-
quently. Other recipient costs during
suspension or after termination which
are necessary and not reasonably
avoidable are allowable if paragraphs
(c) (1) and (2) of this section apply.
(1) The costs result from obligations
which were properly incurred by the re-
cipient before the effective date of sus-
pension or termination, are not in an-
ticipation of it, and in the case of a ter-
nimation, are noncancellable.